

Talk America
September 22, 2004
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19 Seminole Avenue
Baltimore, MD 21228
September 22, 2004

Talk America
12020 Sunrise Valley Dr., Ste. 250
Reston, VA 20191

Re: Account 5034931
FCC Docket 04-208

To Whom It May Concern:

Please confirm that my account has been cancelled.

I have concerns regarding the imposition of surcharges on this account. I believe that (1) your advertising is extremely misleading, and that (2) your business plan is designed to be deceptive to consumers.

Item (1): Misleading advertising

According to your current advertisements, your service costs "\$5.95 per month! (excluding applicable taxes and surcharges)" with "no call minimums from Talk America!"

From my bill for July 2004, here is what "\$5.95" plus the "surcharges" actually comes to:

Surcharges:

Late Fee:	\$0.33
Local Connect Surcharge:	4.97
Monthly Billing Fee:	5.95
TSR Administration Fee:	<u>9.95</u>
	\$21.20

When the actual base fee is over three times the fee in bold print, that is misleading advertising. These surcharges do not include taxes or usage. When I examined my bills over the last few months I noticed that I was being billed (from the July 2004 bill) \$25.01 per month, for \$1.30 worth of calls.

These "surcharges" have steadily risen over the course of my membership, including \$9.95 for a "TSR Administration Fee." Because I never received written notification of the increase in these surcharges, I do not believe I should have to pay them, and I hereby request a refund of any paid surcharges for which I was not given notice.

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Item (2): Deceptive business plan

(a) Talk America has figured out a way to increase charges without the consumer's noticing, by using direct billing to credit card accounts without notification on paper. This is perfectly legal, but it tends to make increased fees "invisible" to the customer.

(b) Although it would be extremely easy for Talk America to e-mail consumers with a link to their detailed billing, Talk America chooses to make it laborious to see the account. Consumers do not receive copies of the detailed billing on their accounts, unless they proactively go to the Talk America website, enter member name and password, and download their statements. In my case, I could not even access my account because my member name was changed to my account number, of which I was not aware until I received a bill after attempting to close my account.

Finally, as noted in the above summary of my bill, the Monthly Billing Fee is included in Surcharges. If it were indeed the base fee, as implied in your advertisements, it should have been listed separately.

I hope that Talk America takes a pro-consumer approach to this matter.

Sincerely,

Robert Cole